

RMD Bulletin

Knowledge is power...



CHANGE IN MEDICARE PART D COVERAGE: CLOSING THE DONUT HOLE

The Medicare coverage gap or “donut hole” is the period where there’s a temporary limit for Medicare Part D drug coverage. Medicare Part D pays the cost of prescription drugs up to a certain point, and then stops paying until a higher threshold is reached. Under the *Affordable Care Act* Medicare prescription drug coverage Part D benefits are more affordable. If the coverage gap in prescription drug coverage is reached, the following will be received:

- 50% discount and 2.5% subsidy on brand name drugs and a 21% subsidy from Medicare on their generic drugs.

Who can get the savings while in the coverage gap?

- Beneficiaries currently enrolled in a Medicare Prescription Drug Plan or a Medicare Advantage Plan that includes prescription drug coverage.
- Beneficiaries who don’t get extra help (a Medicare program that helps people with limited income and resources pay Medicare prescription drug costs).
- Beneficiaries that reached the coverage gap.

Beneficiaries that are in the gap will pay 47.5% on name brands drugs and 79% on generic drugs until the total cost reaches 6,733.75. Although beneficiaries pay at a discounted price for their prescription drugs it will count as full price out-of-pocket cost which will help them reach the end of the gap.

We’re here to help you...

If you have any questions or require further information, please do not hesitate to contact RMD at (213) 480-3444 or RevenueManagement@dmh.lacounty.gov.